

Message Text

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ORIGIN EB-08

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-10
SIG-02 MMO-04 IO-14 PCH-02 AID-05 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04
OPIC-06 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15
STR-06 CEA-01 L-03 H-02 AGRE-00 INT-05 DODE-00
PA-02 PRS-01 /175 R

DRAFTED BY EB/IFD/OIA:D V GRANT
APPROVED BY EB/IFD/OIA:R D KAUZLARICH
NEA/ARN:C MONROE
OPIC/D:J DILL
EA/EP:A GEBER (INFO)
NEA/RA:R O PRICKETT (INFO)
EUR/RPE:J P MCLEAN (INFO)
ARA/ECP:D TAHER (INFO)
AF/EPS:C CUNDIFF (INFO)

-----059978 191650Z /46

R 191520Z JAN 78
FM SECSTATE WASHDC
TO ALL AFRICAN DIPLOMATIC POSTS
ALL AMERICAN REPUBLIC DIPLOMATIC POSTS
ALL NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS
AMEMBASSY SEOUL
AMEMBASSY SUVA
AMEMBASSY TAIPEI
AMEMBASSY ANKARA
AMEMBASSY BANGKOK
AMEMBASSY MANILA
AMEMBASSY KUALA LUMPUR
AMCONSUL BELIZE
AMEMBASSY JAKARTA
AMEMBASSY PORT MORESBY
INFO AMEMBASSY ABU DHABI
AMEMBASSY ATHENS
AMEMBASSY BELGRADE
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AMEMBASSY BRASILIA
AMEMBASSY BRIDGETOWN
AMEMBASSY BUCHAREST
AMEMBASSY BUENOS AIRES
AMEMBASSY CARACAS
AMCONSUL CURACAO
AMEMBASSY DOHA

AMEMBASSY JIDDA
AMEMBASSY LIBREVILLE
AMEMBASSY LISBON
AMCONSUL MARTINIQUE
AMEMBASSY MONTEVIDEO
AMEMBASSY MUSCAT
AMEMBASSY NICOSIA
AMEMBASSY PARAMARIBO
AMEMBASSY PORT OF SPAIN
AMEMBASSY SINGAPORE
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY VALLETTA
AMEMBASSY BEIRUT POUCH
XMT AMEMBASSY ACCRA
AMEMBASSY BRAZZAVILLE
AMEMBASSY CONAKRY
AMEMBASSY DJIBOUTI
AMEMBASSY MAPUTO
AMEMBASSY PRETORIA
AMEMBASSY VICTORIA
AMEMBASSY ASUNCION
USINT HAVANA
AMEMBASSY MEXICO
AMEMBASSY NASSAU
AMEMBASSY ALGIERS
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AMEMBASSY DAMASCUS
AMEMBASSY KUWAIT
USMISSION SINAI
AMEMBASSY TRIPOLI

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E.O. 11652: N/A

TAGS: EINV

SUBJECT: STATUS OF OPIC LEGISLATION

1. OPIC'S CURRENT LEGISLATION (TITLE IV OF THE FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED) PROVIDES THAT UNLESS EXTENDED, OPIC'S AUTHORITIES TO ISSUE POLITICAL RISK INSURANCE AND LOAN GUARANTIES WOULD EXPIRE ON DECEMBER 31, 1977. THE ADMINISTRATION PROPOSED THAT CONGRESS RENEW THIS LEGISLATION TO PERMIT CONTINUATION OF THESE KEY OPIC PROGRAMS, WHICH THE ADMINISTRATION BELIEVES PROVIDE A VALUABLE COMPLEMENT TO U.S. DEVELOPMENT ASSISTANCE.

2. AFTER RELATIVELY EASY PASSAGE BY THE SENATE (69-12), THE PENDING OPIC LEGISLATION ENCOUNTERED OPPOSITION DURING THE HOUSE FLOOR DEBATE NOVEMBER 3. SPARKED BY INTENSE LOBBYING BY THE AFL-CIO, CRITICS OF OPIC FOCUSED ON THREE CHARGES: (A) THAT ITS PROGRAMS RESULT IN THE EXPORT OF AMERICAN JOBS, PARTICULARLY IN THE SENSITIVE TEXTILES, ELECTRONICS AND STEEL SECTORS; (B) THAT MANY OF THE COUNTRIES WHERE ITS PROGRAMS ARE MOST SUCCESSFUL ARE CHARACTERIZED BY AUTHORITARIAN GOVERNMENTS WITH POOR HUMAN RIGHTS RECORDS; AND (C) THAT ITS ASSISTANCE GOES DISPROPORTIONATELY TO LARGE CORPORATIONS.

3. WHILE OPIC SUPPORTERS ATTEMPTED TO COUNTER THESE INACCURATE CHARGES DURING THE DEBATE, THE BILL'S MANAGERS UNCLASSIFIED

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JUDGED THAT ITS CHANCES FOR PASSAGE WOULD BE BETTER AFTER THE HOUSE RECONVENES JANUARY 19. ACCORDINGLY, THE BILL WAS WITHDRAWN FROM CONSIDERATION TO PERMIT INFORMAL REVIEW BY THE HOUSE INTERNATIONAL RELATIONS COMMITTEE AND RE-SUBMISSION FOR VOTE SHORTLY AFTER JANUARY 23.

4. WITH THE FAILURE TO RENEW OPIC'S LEGISLATION BY DECEMBER 31, OPIC'S AUTHORITIES TO ISSUE INSURANCE AND LOAN GUARANTIES LAPSED TEMPORARILY. HOWEVER, IT IS CONTINUING TO REGISTER APPLICATIONS FOR THESE PROGRAMS AND IS ADVISING INVESTORS THAT CONTRACTS WILL BE ISSUED AS SOON AS POSSIBLE AFTER CONGRESS EXTENDS THESE TWO AUTHORITIES. IN ADDITION, OPIC CONTINUES TO HAVE AUTHORITY TO CONDUCT ITS RELATIVELY SMALL DIRECT LOAN PROGRAM. IT ALSO CONTINUES TO OFFER ADVICE TO LDC GOVERNMENTS AND U.S. INVESTORS ABOUT POTENTIALLY ATTRACTIVE INVESTMENT PROJECTS IN COUNTRIES ELIGIBLE FOR OPIC PROGRAMS. CHRISTOPHER

NOTE BY OC/T: POUCHED BEIRUT

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LAW, INVESTMENT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 19 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: D V GRANT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780029-0054
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1978/newtext/t19780144/aaaablc1.tel
Line Count: 156
Litigation Code IDs:
Litigation Codes:
Litigation History:
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Original Previous Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3746703
Secure: OPEN
Status: NATIVE
Subject: STATUS OF OPIC LEGISLATION
TAGS: EINV, US, XX, OPIC
To: AF POSTS ALL POSTS MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/15e23be2-c288-dd11-92da-001cc4696bcc
Review Markings:
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